



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Adopt resolution authorizing the City Manager to allocate a Public Benefits Program grant in the amount of \$25,000 to Schaefer Systems International, Incorporated for a process cooling equipment demand-side management project (EUD)

**MEETING DATE:** January 7, 2004

**PREPARED BY:** Electric Utility Director

**RECOMMENDED ACTION:** That the City Council adopt a resolution authorizing the City Manager to allocate a Public Benefits Program grant in the amount of \$25,000 to Schaefer Systems International, Incorporated for a process cooling equipment demand-side management project.

**BACKGROUND INFORMATION:** Schaefer Systems International, Incorporated, located at 1250 E. Thurman Street, is a manufacturer of heavy plastic refuse containers. These containers (including containers for recycling, yard waste and garbage) are purchased by municipalities throughout the western United States, and are utilized here in Lodi as well.

In an effort to reduce energy consumption, Schaefer Systems personnel elected to replace an aging process chiller and related equipment, with a new, highly efficient Thermal Care process cooling system. The equipment (Model TXW240 Water Cooled Central Chiller) is designed to provide some 250 tons of cooling capability, with water temperature at a consistent 50 degrees, at approximately 605 gallons per minute. The process chiller is critical equipment for a plastics injection molding facility, as the chilled water is utilized to immediately cool the finished product (in this manufacturing case, the finished product is refuse containers). Once the chilled water has completed its task, it is pumped back to a cooling tower, brought back down to 50 degrees, and reused. The previous chiller system was a manual operated process, with less chilled water capacity and longer warm water exchange or cool down time. Energy efficiencies are gained in the new process equipment because of the following: computer-controlled interface technology (with manual override capabilities), built-in variable frequency drives for the systems pumps and motors, along with a fan-cooled tower supply pump, allowing for a more rapid water cool down cycle.

With the new process cooling system, Schaefer Systems International will reduce energy consumption (depending upon monthly hours of operation) from a minimum of 10 percent, to as high as 20 percent. Having replaced the inefficient process cooling system, Schaefer Systems International representatives are now investigating the potential of a new process or manufacturing line that would also be energy efficient.

The Electric Utility Department respectfully recommends approval of this Public Benefits grant as a qualifying component of the City of Lodi's Public Benefits Program, under the category of demand-side management or energy conservation.

APPROVED:

H. Dixon Flynn, City Manager

Adopt resolution authorizing the City Manager to  
allocate a Public Benefits Program grant in the amount  
of \$25,000 to Schaefer Systems International, Incorporated  
for a process cooling equipment demand-side management project (EUD)  
January 7, 2004  
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**FUNDING:** 164605 Public Benefits (Category: Demand-side Management)

**Funding Approval:**

  
Vicky McAthie, Finance Director

  
Alan N. Vallow  
Electric Utility Director

**PREPARED BY:** Rob Lechner, Manager of Customer Service & Programs

ANV/RL/lst

cc: City Attorney

RESOLUTION NO. 2004-08

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING  
THE CITY MANAGER TO PROVIDE A PUBLIC BENEFITS  
PROGRAM GRANT TO SCHAEFER SYSTEMS  
INTERNATIONAL, INC.

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WHEREAS, the state has mandated that beginning January 1, 1998, the City of Lodi is obligated to fund various programs through a Public Benefits Charge (PBC) based on a historical electric revenue requirement; and

WHEREAS, the requirement amounts to approximately \$1 million per year that must be dedicated to qualifying programs such as energy efficiency. A further stipulation is that these efforts must be done on the customer's side of the meter in order to qualify; and

WHEREAS, the City of Lodi's Public Benefits Program is comprised of four segments or customer groups: commercial/industrial, residential, community/non-profit, and municipal; and

WHEREAS, Schaefer Systems International, Inc., located at 1250 E. Thurman Street, is a manufacturer of heavy plastic refuse containers, used for recycling, yard waste, and garbage and purchased by municipalities throughout the western United States; and

WHEREAS, in an effort to reduce energy consumption, Schaefer Systems personnel elected to replace an aging process chiller and related equipment, with a new, highly-efficient Thermal Care process cooling system. The equipment (Model TXW240 Water Cooled Central Chiller) is designed to provide some 250 tons of cooling capability, with water temperature at a consistent 50 degrees, at approximately 605 gallons per minute. The process chiller is critical equipment for a plastics injection molding facility, as the chilled water is utilized to immediately cool the finished product (in this manufacturing case, the finished product is refuse containers). Once the chilled water has completed its task, it is pumped back to a cooling tower, brought back down to 50 degrees, and reused; and

WHEREAS, the previous chiller system was a manually-operated process, with less chilled water capacity and longer warm water exchange or cool down time. Energy efficiencies are gained in the new process equipment because of the following: computer-controlled interface technology (with manual override capabilities), built-in variable frequency drives for the systems pumps and motors, along with a fan-cooled tower supply pump, allowing for a more rapid water cool down cycle; and

WHEREAS, with the new process cooling system, Schaefer Systems International will reduce energy consumption (depending upon monthly hours of operation) from a minimum of 10 percent, to as high as 20 percent.

WHEREAS, the Electric Utility Department respectfully recommends approval of this Public Benefits grant as a qualifying component of the City of Lodi's Public Benefits Program, under the category of demand-side management or energy conservation.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby authorizes the City Manager to provide a Public Benefits Program Grant in the amount of \$25,000.00 to Schaefer Systems International, Inc., for a process cooling equipment demand-side management project.

Dated: January 7, 2004

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I hereby certify that Resolution No. 2004-08 was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 7, 2004, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hitchcock, Howard, Land, and Mayor Hansen

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

  
SUSAN J. BLACKSTON  
City Clerk